

Version 2

WHEREAS, all participants in the Wisconsin Public Employer Group Health Insurance Program will need to be enrolled in one of the program options offered by the Group Health Insurance Board by January 1st of the plan year, and

WHEREAS, the City of Madison proposes to participate in the following health insurance program option for all City employees: Program Option 4 (renumbered as necessary), Deductible Uniform Benefits Option paired with the Deductible Standard PPO, without dental, which will require families to pay a deductible of \$1,000 and single employees to pay a deductible of \$500 beginning in 2016; and

WHEREAS, the City recognizes the need to compensate employees for this through a wage package for 2016 that reduces the financial impact on employees and their families; and

WHEREAS, the City is committed to providing equitable wage increases to employees at all levels of the organization, and

WHEREAS, budget difficulties brought about by decisions made at the State level, especially in recent years, have made it more difficult for the City to offer wage increases to its employees that are truly representative of the work they do and the services they perform for the citizens of Madison; and

WHEREAS, during the 2015 budget approval process the Mayor and City Council expressed continuing desire to achieve equitable pay increases for employee groups who have fallen behind the overall trend in wage increases as compared to other employee groups; and

WHEREAS, the City and employees desire to establish for those employees who do not already have one, a method to assist with post-employment health expenses and reduce income tax liability for employees and payroll tax obligations for the City; and

WHEREAS, as the result of a cooperative effort, the City's voluntary employee associations together with the City have developed a plan that contains a floor for wage increases to begin to address this concern in 2016 and also would achieve wage equity across all employee groups by 2018 as follows:

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Madison, that pursuant to the provisions of Wis. Stat. Sec. 40.51(7) the City hereby determines to offer the above-referenced Group Health Insurance program to eligible personnel through the program of the State of Wisconsin Group Insurance Board for the 2016 plan year, and agrees to abide by the terms of the program as set forth in the contract between the Group Insurance Board and the participating health insurance providers. The proper City Departments are authorized and directed to take all action necessary, and to make the appropriate salary deductions for premiums, and submit the appropriate payments required by the State of Wisconsin Group Insurance Board to provide such Group Health Insurance.

BE IT FURTHER RESOLVED that the City will provide at least the following wage increases to City employees in Compensation Groups 15, 16, 17, 18, 19, 20, 23, 31, 32, 33, 43, 44, 71 and 83:

Pay period 26 in December 2015 - increase wages at least 2.25%

Pay period 26 in December 2016 - increase wages at least 1.0%

Beginning with pay period 26 in December 2016 the City shall make a contribution to a retiree health insurance trust fund or Voluntary Employee Benefit Association (VEBA) for employee compensation groups in a manner similar to the contribution the City is currently making for employees in compensation group 15. The amount shall be equal to 1.25% of base wages and shall continue annually thereafter, and be increased every year thereafter by the same percentage increase applied to base wages. (The 2016 contribution for compensation group 15 shall be given as a 1.25% wage increase.) In the event that a plan is not legally established this contribution shall be given in 2016 to those employees as a 1.25% wage increase. The City will not administer these trusts and shall be held harmless in the administration of the program and from making any additional contributions to the health insurance fund beyond the amounts stated above unless adopted through a subsequent resolution. Once plans have been established the employee handbook shall be updated to reflect said plans in a manner similar to that of compensation group 15.

Pay period 26 in December 2017 - increase wages at least 1.0%

Pay Period 26 in December 2018 - increase wages at least 1.0%

In addition, the City will provide a 1.15% (0.15% for Comp for group 23) increase in wages between the first pay period in 2015 and the last pay period in 2018 to achieve and continue pay equity for all employee groups of the City; and

BE IT FINALLY RESOLVED if any other employee group is granted an increase in excess of that described in the above pay equity pattern (defined as the total wage increase across groups from 2011 through the last pay period of 2018), the employee groups listed above will be granted an identical wage increase.